



Memorandum

TO: RULES AND OPEN GOVERNMENT COMMITTEE **FROM:** Mayor Chuck Reed

SUBJECT: EXPENDITURE LIMITS AND CAMPAIGN CONTRIBUTION LIMITS

DATE: August 8, 2012

Approved

Chuck Reed

Date

8/8/12

REPLACEMENT

RECOMMENDATION

Refer the issue of appropriate expenditure limits and contribution limits, including a possible suspension of the voluntary expenditure limit (section 12.06.530 Expenditure Limits) and the campaign contribution limits for Council candidates (section 12.06.210 Campaign Contribution Limitations), to the Elections Commission for review and recommendation for actions to be taken on a permanent basis.

BACKGROUND

In recent elections, independent expenditures have exceeded expenditures by individual candidates by large amounts.

The total campaign expenditures in the District 8 primary election made by independent committees were nearly \$265,000, which was more than the amount spent by all the candidates combined.

With the Supreme Court's decision in the Citizens United case, it is impossible for the City to restrain independent expenditures, and independent expenditure committees can raise and spend money in unlimited amounts. As a result, candidates have been and will be placed at an extreme disadvantage in some elections. While we cannot eliminate the advantages held by independent committees, we must figure out how to give candidates a chance to narrow the gap without abandoning contribution limits completely.

The San José campaign contribution limits are "for the purpose of preventing the perception by the public that campaign contributors exercise undue or improper influence over elected officials." With independent committees spending far in excess of candidates, San José residents now have to be equally concerned about the undue or improper influence of independent committees until Citizens United is reversed or a Constitutional Amendment is adopted that would allow contribution and spending limits on expenditure committees.